

House Bill 926 (AS PASSED HOUSE AND SENATE)

By: Representatives Mills of the 25th, Maxwell of the 17th, Hill of the 21st, Shaw of the 176th, Reese of the 98th, and others

A BILL TO BE ENTITLED
AN ACT

To amend Code Section 7-1-285 of the Official Code of Georgia Annotated, relating to the limits on obligations of a bank to one person or one corporation, so as to exempt certain renewals or restructuring of loans from those limitations; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Code Section 7-1-285 of the Official Code of Georgia Annotated, relating to the limits on obligations of a bank to one person or one corporation, is amended in subsection (c) by deleting "and" from the end of paragraph (7), substituting "; and" for the period at the end of paragraph (8), and adding a new paragraph to read as follows:

"(9) A renewal or restructuring of a loan as a new loan or extension of credit following the exercise by the bank of reasonable efforts, consistent with safe and sound banking practices, to bring the loan into conformance with the lending limits of this Code section, unless:

(A) New funds are advanced by the bank to the borrower, except as permitted under this Code section;

(B) A new borrower replaces the original borrower; or

(C) The department determines that a renewal or restructuring was undertaken as a means to evade the bank's lending limit."

SECTION 2.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.